

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, California 95814



September 21, 1999

ALL-COUNTY LETTER NO. 99-68

TO: ALL COUNTY WELFARE DIRECTORS
COUNTY IHSS PROGRAM MANAGERS
COUNTY FISCAL OFFICERS

REASON FOR THIS TRANSMITTAL

- ☒ [X] State Law Change
- ☐ [] Federal Law or Regulation Change
- ☐ [] Court Order or Settlement Agreement
- ☐ [] Clarification Requested by One or More Counties
- ☒ [X] Initiated by CDSS

SUBJECT: SENATE BILL (SB) 710 REQUIREMENTS AFFECTING THE IN-HOME SUPPORTIVE SERVICES PROGRAM (IHSS) AND COUNTY WELFARE DEPARTMENT AGENCIES OPERATING A PUBLIC AUTHORITY (PA)

REFERENCES: ACL 98-20

The purpose of this All-County Letter (ACL) is to provide counties with information on a state law change regarding financial participation in wages for IHSS Public Authority counties. SB 710 (Chapter 91, Statutes of 1999), a budget trailer bill approved on July 12, 1999, allows the state to participate in the cost of wages for IHSS Individual Providers (IP) above minimum wage. This letter will inform counties how this change will be implemented.

Background

Prior to the passage of SB 710 counties were required to use county-only funds to cover the nonfederal share of any increase in provider wages or benefits negotiated or agreed to by a PA. Counties also were required to use county-only funds to cover the nonfederal share of the associated employment taxes. Federal financial participation in the PA rate cannot exceed 200% of the statewide minimum wage.

The Case Management, Information and Payrolling System (CMIPS) will be used to do IP payroll and to track wages unless a PA opts to perform this function. Counties are responsible for developing their own systems to pay and track IP benefits gained as part of collective bargaining by a PA.

Enhanced State Participation

SB 710 made the following changes:

- Requires the state to pay 80% of the nonfederal share of a PA negotiated IP wage increase up to \$0.50 above the statewide minimum wage (Welfare and Institutions Code Section 12306.1).
- Requires the county to pay 20% of the nonfederal share of a PA negotiated IP wage increase up to \$0.50 above the statewide minimum wage.
- The State participation in the increase is only effective for the 1999/00 fiscal year.
- The 80% state participation is only for IP wages (benefits and employer taxes are not included).

The cost sharing for wages up to the statewide minimum wage and PA administrative costs will remain at 65% State and 35% County of the nonfederal costs. Federal financial participation will continue to be available up to 200% of the statewide minimum wage.

Counties with an approved PA hourly wage rate above the statewide minimum wage as of July 1, 1999 do not need to submit a new PA rate request. Those counties will automatically receive state participation for the PA hourly rate up to \$0.50 above the statewide minimum wage beginning July 1, 1999. Any county without an approved PA rate as of July 1, 1999 must establish a PA rate as outlined in ACL 98-20. For these counties, the enhanced funding provisions of SB 710 will begin after the approved rate is programmed in CMIPS after July 1, 1999. Retroactive rates will not be permitted.

For wages above the \$0.50 increase, counties must continue to use county-only funds to cover the nonfederal share of costs.

PA Rate Approval Process

Counties will continue to be responsible for establishing a total PA rate that includes IP wages, benefits, taxes, and PA administrative cost. The PA rate must be submitted on the rate setting form and sent to the California Department of Social Services (CDSS) Adult Programs Branch. The Adult Programs Branch will review and forward each county's PA rate request to the Department of Health Services (DHS) for final approval. The rate approval procedure is a 60-day process. There are no retroactive reimbursements for PA rate approvals or costs.

The 60-day rate approval process allows Electronic Data Systems (EDS) sufficient time to schedule technical and business analyst resources, review county requirements, test the rate change, implement the rate change, and produce any turnaround documents that are required. For any rate change request requiring an implementation date less than the 60-day processing time, the following must be met:

- There are no significant problems and priorities arising out of the implementation of CMIPS 2000. As you can understand, correction of payrolling issues related to CMIPS 2000 would take top priority.
- The rate change package must be complete and contain all the required materials.
- The rate change package must be approved by the DHS.
- The rate must be received and approved two weeks prior to the advance pay cycle run for the next month. As an example, the October payroll cycle will run September 27, 1999. Therefore the rate would have to be received and approved prior to September 13, 1999.
- The extension of future month segments (segments that end before the effective date of the rate change and an assessment has not been performed) will have to be reviewed for processing. EDS could extend for one month, those cases with a segment ending on the end of the month prior to the rate change. The extension does not release counties from meeting the requirement to perform timely reassessments. Cases with assessments overdue beyond thirty (30) days will need to be worked manually.

Monthly Invoices

The Adult Programs Branch will calculate the wages paid plus the increase up to \$0.50 on a monthly basis. A Provider Payment report will be submitted to the CDSS Fund Accounting and Reporting Bureau who will invoice counties to obtain reimbursement for the amounts paid above the state's obligation less the federal share.

PA Administration and Benefits Cost Claiming

Counties must submit an invoice, form SOC 448, on a quarterly basis to claim the costs and receive Federal Financial Participation for PA administrative costs and any negotiated IP benefits. Please refer to ACL 98-20 for a copy of the form, attachments, and instructions. The SOC 448 must be submitted to CDSS Adult Programs Branch within 30 days after the end of each quarter. Please be sure to include all supporting documentation used to develop the expenditure amounts invoiced.

Any questions regarding this ACL should be directed to Mike Ellison, Chief, Adult Programs Fiscal and Administrative Bureau, at (916) 229-4591. Any questions pertaining to funding, rate setting, or claiming and reimbursement please contact your Adult Programs Operations Analyst at (916) 229-4000.

Sincerely,

Original Signed By
Donna L. Mandelstam on September 21, 1999

DONNA L. MANDELSTAM
Deputy Director
Disability and Adult Programs Division